



ILLINOIS COMMERCE COMMISSION

June 20, 2000

Commonwealth Edison Company :
: 00-0361
Petition for Approval of a Revised :
Decommissioning Expense Adjustment Rider. :

NOTICE OF HEARING EXAMINER'S REQUEST

TO ALL PARTIES OF INTEREST:

Notice is hereby given of the attached Hearing Examiners' Request.

Sincerely,

A handwritten signature in cursive script that reads "Donna M. Caton".

Donna M. Caton
Chief Clerk

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June 19, 2000

HEARING EXAMINERS' REQUEST

Commonwealth Edison Co. ("ComEd"), Staff and the Intervenors are hereby directed to respond to the following questions in their testimony:

1. Does ComEd or Unicom have any plans to operate any of its nuclear units beyond the expiration date of the current Nuclear Regulatory Commission ("NRC") licenses? If so, please identify such units and provide the dates by which the final decisions to extend their respective operating lives will be made.
2. In the parties' opinions, which nuclear units are likely or unlikely for economic and/or technical reasons to be operated beyond the expiration date of their current NRC licenses?
3. In order to operate the nuclear units beyond the expiration date of their current NRC licenses, what approvals must be sought and obtained by either ComEd or Exelon Genco? For each nuclear unit, please identify the dates by which ComEd or Exelon Genco must file to obtain such approvals.
4. ComEd suggests that the total cost to decommission the nuclear units is \$5.6 billion (in 2000 dollars). Petition at 4. What activities are included in this estimate? Are so-called "greenfielding" expenses included in this estimate? If so, what is the total expected cost without greenfielding expenses?
5. ComEd suggests that as of December, 1999, the decommissioning trust funds are/were underfunded by roughly \$3.1 billion (in 2000 dollars) and that customers stand to save roughly \$1 billion (in 2000 dollars) if its proposed revisions to Rider 31 are approved. See, e.g., Petition at 4. What impact would the extension of the operating lives of those units for which Unicom or ComEd intends to seek an extension (or whose lives the parties believe are "likely" to be extended) have on these two estimates? Furthermore, please provide estimates that show what the fund shortfall and benefit to customers, if any, would be assuming that the operating lives of all six Braidwood, Byron and LaSalle units are extended. In preparing responses to these questions, please provide two sets of new estimates that include and exclude so-called "greenfielding" expenses.
6. What assurances do this Commission and the State of Illinois have that ComEd and/or Exelon Genco will not seek to recover any shortfalls in the decommissioning

trust funds from Illinois ratepayers in the future, if ComEd's proposed revisions to Rider 31 are approved?

7. Will NRC approval be required of ComEd's proposed revisions to Rider 31, if approved by the Commission? If so, please identify all federal statutes and regulations relevant to the NRC review process and an explanation of how ComEd's proposal would comply with such statutes and regulations.
8. According to its May 19, 1999, Notice of Transfer of Assets and Wholesale Marketing Business, ComEd will obtain some of its supply from market sources beginning in 2005 and all of its supply from market sources (including Exelon Genco) beginning in 2007. Notice of Transfer of Assets and Wholesale Marketing Business at 2. Assuming that ComEd's proposed revisions to Rider 31 are not approved by the Commission, what amounts (based on its current estimates) would ComEd seek to collect and transfer to Exelon Genco annually through Rider 31 from its customers in 2005 and beyond? Assuming any portion or all of such requested amounts are denied by the Commission, will Exelon Genco seek recovery through market-based rates after 2005?
9. In the event its proposed revisions to Rider 31 are rejected, ComEd states that it will file Rider 31 petitions annually to recover estimated decommissioning costs. Petition at 5. However, ComEd is not obligated to pay Exelon Genco any set amounts beyond the existing balance in its decommissioning funds; its role in the decommissioning of the units after their proposed transfer to Exelon Genco is the collection and transfer of funds from consumers to Exelon Genco. See, e.g., Notice of Transfer of Assets and Wholesale Marketing Business, Appendix A. Since Section 16-114 of the Public Utilities Act allows an electric utility "having responsibility as a matter of contract or statute for decommissioning costs" to assess a charge for such costs, what "responsibility" would ComEd have for Exelon Genco's decommissioning costs? That is, what is the legal basis for the assessment of any Rider 31 charges after the nuclear units are transferred to Exelon Genco?
10. The proposed "start date" is not fixed. See Petition, Exhibit A at 1. Rather the proposed revisions to Rider 31 would not take effect until after Unicom and PECO Energy are officially merged and the Contribution Agreement between ComEd and Unicom and Exelon Genco is executed merged is approved. *Id.* Therefore, the amount of any "savings" that customer would experience appear to depend upon when the proposed Rider 31 revisions take effect, as a lengthy delay in the effective date will erode the customer "savings." If approved, should ComEd's proposed revisions to Rider 31 be amended to include a fixed "start date?"
11. ComEd suggests Exelon Genco will have the "incentive to decommission the Nuclear Stations in an efficient and cost effective manner" because the risk of any shortfall in the funds and the benefit of any excess funding will accrue to Genco

under its proposal. ComEd believes that there is only a "remote possibility" and a "negligible chance" that its proposed revisions to Rider 31 will produce collections in excess of the final decommissioning costs. ComEd Ex. 4 at 22. If the odds of over-recovery by Exelon Genco are as small as ComEd suggests, why would Exelon Genco accept such risk? How does Exelon Genco intend to make up the alleged \$1 billion shortfall? Furthermore, what authority does the Commission have to approve a plan that is arguably a form of incentive regulation?

12. It is my understanding that many of the nuclear units are considered "must-run units" from a transmission perspective. How would this affect the ability of Exelon Genco to recover any remaining decommissioning costs through market-based rates and/or organized market structures (e.g., a PX, poolco) in the future?

Phillip Casey & Terrance Hilliard